

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	CASE NO. INS 2017-155
)	
)	
A INSURANCE AGENCY, LLC, a)	NOTICE OF PROPOSED AGENCY
Montana Limited Liability Company, and)	ACTION AND OPPORTUNITY FOR
LONNIE HASTINGS, an individual,)	HEARING
)	
)	
)	
Respondents.)	
)	

TO: Lonnie Hastings	A Insurance Agency	
31282 S. Ferndale Rd.	PO Box 8958	
Big Fork, MT 59911	Kalispell, MT 59904	

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq., sets forth the following allegations of fact, conclusions of law, and notice of right to a hearing. Additionally, the CSI is proposing to the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), that he take specific action against A Insurance Agency LLC (AIA), and Lonnie Hastings (Hastings) (collectively, Respondents) for violations of the Code. The Commissioner has authority to take such action under the provisions of §§ 33-1-102,

33-1-301, 33-1-317, 33-17-1001, and 33-17-1102, and 33-18-212. Service of process is pursuant to § 33-1-314.

ALLEGATIONS OF FACT

1. A Insurance Agency LLC is a Montana licensed insurance agency, # 670482. Its office is located at 278 5th Ave. NW, Kalispell, MT. The agency has been licensed since July 11, 2006. The agency is authorized to produce property, casualty, and surety insurance.

2. Hastings is a licensed Montana insurance producer, # 18851. He has been licensed since February 1, 1994. Hastings is authorized to produce property, casualty, limited lines credit, casualty, disability, life, and surety insurance.

3. Hastings is an owner, in part or whole, of AIA.

4. Respondent Hastings handwrote a "Certificate of Insurance" on July 19, 2016, for customer G.B. That Certificate indicated the G.B. had \$1,000,000 in auto liability coverage.

5. The liability limit was only \$100,000.

6. The dates of coverage on the Certificate of Insurance did not accurately reflect G.B.'s coverage.

7. AIA employees also failed to apply premiums to customers' policies.

8. On April 27, 2016, an AIA employee accepted a \$329 cash payment from customer T.P. for his Foremost homeowner's policy. T.P. filed a claim under the policy on April 11, 2017, for wind damage. He discovered that his policy was no longer in effect.

9. AIA also wrote inaccurate policies for consumers.

10. An AIA employee wrote a conventional home policy for T. and D. H.'s mobile home for both 2015 and 2016.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter. § 33-1-311.
2. The CSI administers the Code to protect insurance consumers. § 33-1-311(3).
3. The Commissioner may levy a civil penalty in accordance with § 33-1-317, MCA, when a licensee has violated § 33-17-1001.
4. Hastings and AIA violated §§ 33-17-1001(1)(c), (f), and (g), when they:
 - a. improperly withheld money belonging to policyholders received in the conduct of his business;
 - b. acted in a financially irresponsible manner with respect to funds received by policyholders;
 - c. created a Certificate of Insurance containing inflated amounts of coverage and inaccurate dates of coverage; and
 - d. wrote a conventional homeowners' policy on a mobile home.
5. Hastings and AIA violated §§ 33-17-1001(1)(c) and 33-17-1102(1), when they failed to pay premiums to the insurers entitled to them.

RELIEF REQUESTED

The CSI seeks the following relief:

1. Pursuant to § 33-1-317, imposition of a collective \$2,500 total fine to be paid by Lonnie Hastings or AIA, jointly and severally; and
2. Such other relief as the Commissioner deems appropriate.

DATED this 30th day of July, 2018.


BENJAMIN C. TILLER
Attorney for CSI

STATEMENT OF RIGHTS

You are each entitled to a hearing and to respond to this Notice of Proposed Agency Action and to present evidence and arguments on all issues involved in this case. You may have a formal hearing before a hearing examiner appointed by the Commissioner as provided in the Montana Administrative Procedure Act. Mont. Code Ann. § 2-4-601 et seq.

You have a right to be represented by an attorney at any and all stages of this proceeding. If you wish to contest the allegations herein, you must make a written request for a hearing within 21 days of receipt of this notice to:

Benjamin C. Tiller
Office of the Montana State Auditor,
Commissioner of Securities and Insurance
840 Helena Avenue
Helena, MT 59601

Your written notice must clearly indicate whether you request a hearing, or whether you waive formal proceedings and, if so, what informal proceedings you prefer for handling this case. Pursuant to § 2-4-603(2), you may not request to proceed informally if the action could result in suspension, revocation, or any other adverse action against a professional license. If you request a hearing, you will be given notice of the date, time, and place of the hearing.

Should you request a hearing, you have the right to be accompanied, represented and advised by an attorney. If the attorney you choose has not been admitted to the practice of law in the state of Montana, she or he must comply with the Montana State Bar requirements for appearing *pro hac vice*, *Application of American Smelting and Refining, Co.*, 164 Mont. 139, 520 P.2d 103 (1973), and *Mont. Supreme Court Comm'n on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200 (2006).

CONTACT WITH THE COMMISSIONER'S OFFICE

If you have questions, or wish to discuss this matter, please contact Benjamin C. Tiller, Office of the Montana State Auditor, Commissioner of Securities and Insurance, 840 Helena Ave, Helena, MT 59601, (406) 444-2040. If you are represented by an attorney, please make any contacts with this office through your attorney.

POSSIBILITY OF DEFAULT

Failure to give written notice of your demand for a formal hearing or for informal procedure within 21 days will result in the entry of a default order imposing any sanctions available under Montana law without any additional notice to you pursuant to Mont. Admin. R. 6.6.101 and the Attorney General's Model Rule 10, Mont. Admin. R. 1.3.214.

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was sent to Respondents on the 30th day of July, 2018, by certified mail, at the following addresses:

Lonnie Hastings
31282 S. Ferndale Rd.
Big Fork, MT 59911

A Insurance Agency
PO Box 8958
Kalispell, MT 59904

Ramon Bida